

ORIGINAL

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11 Q.E.D. SYSTEMS, INC., a Virginia corporation

FILED

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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

BY:

CR
DEPUTY

12 UNITED STATES DISTRICT COURT
13 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

14 Q.E.D. SYSTEMS, INC., a Virginia corporation,
15 Plaintiff,

v.

16 JCI METAL PRODUCTS, INC., a California
17 corporation,

Defendants.

Case No. **08 CV 1611 DMS CAB****COMPLAINT FOR:**

- 18 (1) BREACH OF CONTRACT;
19 (2) OPEN BOOK ACCOUNT;
20 (3) ACCOUNT STATED;
21 (4) QUANTUM MERUIT;
22 (5) VIOLATION OF BUSINESS &
23 PROFESSIONS CODE §7108.5;
24 AND
25 (6) VIOLATION OF CIVIL CODE
26 §3260

DEMAND FOR JURY TRIAL

27 Plaintiff Q.E.D. SYSTEMS, INC., a Virginia corporation ("QED"), alleges as follows:

PARTIES

28 1. QED is, and at all times mentioned in this Complaint was, a corporation duly organized and existing under and by virtue of the laws of the State of Virginia, with its principal place of business at 4646 N. Witchduck Road, Virginia Beach, Virginia 23455.

2. QED is, and at all times herein mentioned was a duly licensed contractor under the laws of the State of California and authorized to perform the work described herein below.

3. QED is informed and believes that at all relevant times to the allegations contained in this Complaint, Defendant JCI METAL PRODUCTS, INC. ("JCI") was and is a California corporation, principal place of business currently unknown. Plaintiff is informed and believes

1 that JCI does business by and through its offices, employees and agents, located in the State of
2 California and elsewhere in the United States, and that JCI is registered to do business in the State
3 of California.

4 JURISDICTION AND VENUE

5 4. This Court has jurisdiction over this action based on diversity of the parties
6 pursuant to 28 U.S.C. § 1332, since Plaintiff is Virginia corporation with its principle place of
7 business in Virginia Beach, Virginia, and JCI is a California corporation with a place of business
8 in California, and the amount in controversy exceeds \$75,000 exclusive of interest and costs.

9 5. Venue is proper pursuant to 28 U.S.C. § 1391(a) since a substantial part of the
10 events giving rise to this complaint took place in this district.

11 GENERAL ALLEGATIONS

12 6. QED is an engineering company and provides engineering, installation, training,
13 logistic, and material services to federal and state agencies, and commercial enterprises
14 throughout the United States. The company offers services such as, marine engineering and naval
15 architecture; design; alteration development; installation engineering; maintenance engineering;
16 equipment/system testing; and technical investigations, surveys, and analyses services.

17 7. JCI is a full service sheet metal company specializing in the fabrication,
18 installation, modernization and repair of shipboard engineering, habitability, joinder and
19 ventilation systems for the Military marine industry.

20 8. QED and JCI began their relationship in October 2005, whereby JCI, as general
21 contractor, contracted with QED, as a subcontractor, to furnish the labor, materials, and
22 equipment necessary to perform preservation/piping and repair work on various ships of the
23 United States Navy, such as USS Reagan, USS Boxer, and USS Rentz.

24 9. Pursuant to the subcontracting relationship, JCI would submit a written purchase
25 order requesting specific preservation/piping and repair work to be done on one of the Navy
26 vessels, at an agreed upon price/value.
27
28

1 10. Once QED completed the work requested by a purchase order, QED would submit
2 an invoice for the work completed and JCI would make payment within an agreed upon time of
3 thirty (30) days.

4 11. Prior to July 2007, no disputes occurred between JCI and QED, and JCI paid QED
5 for all invoices submitted.

6 12. Sometime between July 2007 and September 2007, JCI, as general contractor,
7 hired QED, as subcontractor, to furnish the labor, materials, and equipment necessary to perform
8 preservation/piping and repair work on six (6) Navy vessels: the USS Regan, YRBM-33, USS
9 Gary, USS Rentz, USS Lake Champlain, and the USS Antietam.

10 13. From July 2007 to February 2008, JCI submitted written purchase orders to QED
11 requesting specific preservation/piping and repair work to be done on each of the six (6) vessels,
12 at an agreed upon price and value.

13 14. QED provided the agreed upon labor and materials between the period of July
14 2007 to April 2008. Once QED completed the work requested under a purchase order, QED
15 invoiced JCI for the labor and materials provided. Each invoice was based on a purchase order
16 and represented work completed by QED.

17 15. In addition, during the course of performance under the purchase orders, QED and
18 JCI modified the contracts through oral and written change orders and pending change orders
19 whereby the amount of the contracts were increased in excess of \$20,854.00.

20 16. To date, JCI has failed to pay QED in excess of \$280,962.35 based on work
21 completed under the purchase orders, in addition to in excess of \$20,854.00 pursuant to the
22 change orders. Therefore, JCI owes QED in excess of \$301,816.35 on account of the services
23 and materials it has requested, received and accepted from QED in accordance with JCI's
24 numerous purchase orders.

25 17. Despite QED's repeated demands for payment in full, JCI has failed to pay its
26 delinquent account balance, leaving an unpaid principal balance in excess of \$301,816.35,
27 together with the interest thereon at the maximum legally permissible rate according to proof at
28 the time of trial.

FIRST CAUSE OF ACTION**(Breach of Contract against JCI)**

18. QED hereby incorporates by reference each and every allegation contained in paragraphs 1 through 17, as though set forth fully herein.

19. Prior to September 2007, QED and JCI entered into numerous written purchase orders, each of which creates a separate written contract and right of recovery. (Purchase Orders entered into between July 2007 and April 2008 are attached hereto as Exhibit A.)

20. In accordance with the purchase orders and the parties' agreement, QED furnished the labor, materials, and equipment necessary to perform preservation/piping and repair work on various military vessels.

21. Subsequent to entering into the written contracts, QED and JCI modified the contracts through oral and written change orders and pending change orders whereby the labor, materials and equipment furnished, as well as the amount owed under the contract, increased.

22. QED has fully performed all conditions, covenants, and promises required to be performed on its part by the contracts, except as prevented and/or excused by JCI.

23. During the course of the repair work on the vessels, numerous changes were required by the JCI. QED submitted numerous change order requests for authorization by the JCI. However, without just cause or excuse, JCI was dilatory in processing and authorizing change order work.

24. JCI breached its agreement with QED by, inter alia, issuing deficient and defective plans and specifications, failing to timely process change order work, failing to remunerate QED in a timely fashion as delineated in the purchase orders and invoices; delaying and accelerating performance; failing to equitably compensate QED for additional work and costs necessitated by change orders; and failing to pay QED the full amount due and owing under the purchase orders for the materials, labor, supplies and/or services rendered to the vessels by Plaintiff, despite Plaintiff's demand for said payment.

1 25. As a result of JCI's breaches, QED has been damaged in a sum in excess of
2 \$301,816.35, together with interest thereon at the maximum legally permissible rate according to
3 proof at the time of trial.

4 **SECOND CAUSE OF ACTION**

5 **(Open Book Account against JCI)**

6 26. QED hereby incorporates by reference each and every allegation contained in
7 paragraphs 1 through 25, as though set forth fully herein.

8 27. Within the last year, and within the County of San Diego, California, JCI became
9 indebted to QED on an open book account in an amount to be established at trial, but estimated at
10 this time to be approximately \$301,816.35, for equipment, labor, supplies and services provided
11 to JCI pursuant to the purchase orders.

12 28. No part of the outstanding sum has been paid, despite demand therefor, and there
13 is now due, owing and unpaid from JCI to QED a sum in excess of \$301,816.35, together with
14 interest thereon at the maximum legally permissible rate according to proof at the time of trial.

15 29. Pursuant to Section 1717.5 of the California Civil Code, QED is entitled to and
16 hereby requests attorney's fees for this action on the open book account.

17 **THIRD CAUSE OF ACTION**

18 **(Account Stated against JCI)**

19 30. QED hereby incorporates by reference each and every allegation contained in
20 paragraphs 1 through 29, as though set forth fully herein.

21 31. Within the last year, at the special insistence and request of JCI, QED provided
22 certain equipment, labor, supplies and services to JCI for repair work on six (6) military vessels.
23 Thereafter, by written statement of account from QED to JCI, an account was stated between
24 QED and JCI for equipment, labor, supplies and services in an amount to be established at trial,
25 but estimated at this time to be in excess of \$301,816.35.

26 32. To date, no part of the outstanding sum has been paid to QED, despite QED's
27 demand, and there is now due, owing and unpaid to QED an amount to be established at trial, but
28

1 estimated at this time to be approximately \$301,816.35, together with interest thereon at the
2 maximum legally permissible rate according to proof at the time of trial.

3 **FOURTH CAUSE OF ACTION**

4 **(Quantum Meruit against JCI)**

5 33. QED hereby incorporates by reference each and every allegation contained in
6 paragraphs 1 through 32, as though set forth fully herein.

7 34. Within the last four years, at the request of JCI, QED provided equipment, labor,
8 supplies and services to JCI, for which JCI promised to pay QED the reasonable value.

9 35. At all times mentioned herein, the reasonable value of the above-mentioned
10 plumbing materials and supplies provided was, and is, the sum in excess of \$301,816.35.

11 36. QED has not been compensated for the reasonable value of the above-mentioned
12 materials, labor, supplies and services. There is now due, owing and unpaid to QED by JCI, a
13 sum to be established at trial, but estimated at this time to be in excess of \$301,816.35, together
14 with interest thereon at the maximum legally permissible rate according to proof at the time of
15 trial.

16 **FIFTH CAUSE OF ACTION**

17 **(Violation of Business & Professions Code §7108.5 against JCI)**

18 37. QED hereby incorporates by reference each and every allegation contained in
19 paragraphs 1 through 36, as though set forth fully herein.

20 38. QED is informed and believes, and thereon alleges, that JCI has been paid progress
21 payments due and owing them pursuant to the contracts with the owner of the subject project.
22 JCI, however, has willfully failed, refused and neglected to release appropriate progress payments
23 to QED, despite demand therefor.

24 39. Based thereon, QED is informed and believes, and thereon alleges, that JCI is in
25 violation of Business & Professions Code section 7108.5. Accordingly, QED prays for the
26 recovery of the principal sum delineated hereinabove plus interest, penalties and attorneys' fees as
27 permitted under Section 7108.5.

28 ///

SIXTH CAUSE OF ACTION

(Violation of Civil Code §3260 against JCI)

40. QED hereby incorporates by reference each and every allegation contained in paragraphs 1 through 39, as though set forth fully herein.

41. QED is informed and believes, and thereon alleges, that JCI has been paid retention due and owing them pursuant to the contracts with the owner, or with another contractor, of the subject project. JCI, however, has willfully failed, refused and neglected to release retention funds to QED, despite demand therefor.

42. Based thereon, QED is informed and believes, and thereon alleges, that JCI is in violation of Civil Code section 3260. Accordingly, QED prays for the recovery of all sums owed, together with statutory penalties thereon at the rate of two percent (2%) per month and all costs, expenses and attorneys' fees incurred from a date uncertain but to be proven at the time of trial.

PRAYER FOR RELIEF

WHEREFORE, QED prays for judgment as follows:

On the First Cause of Action:

1. For a principal sum in excess of \$301,816.35, according to proof at trial;
2. For interest thereon at the maximum legally permissible rate;
3. For costs of suit incurred herein; and
4. For such other and further relief as the Court may deem just and proper.

On the Second Cause of Action:

1. For a principal sum in excess of \$301,816.35, according to proof at trial;
2. For interest thereon at the maximum legally permissible rate;
3. For attorney's fees as allowed by Section 1717.5 of the California Civil Code;
4. For costs of suit incurred herein; and
5. For such other and further relief as the Court may deem just and proper.

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On the Third Cause of Action:

1. For a principal sum in excess of \$301,816.35, according to proof at trial;
2. For interest thereon at the maximum legally permissible rate;
3. For costs of suit incurred herein; and
4. For such other and further relief as the Court may deem just and proper.

On the Fourth Cause of Action:

1. For a principal sum in excess of \$301,816.35, according to proof at trial;
2. For interest thereon at the maximum legally permissible rate;
3. For costs of suit incurred herein; and
4. For such other and further relief as the Court may deem just and proper.

On the Fifth and Sixth Causes of Action:

1. For a principal sum in excess of \$301,816.35, according to proof at trial;
2. For attorneys' fees pursuant to statute;
3. For penalties of two percent (2%) per month on the principal amount found due;
4. For interest thereon at the maximum legally permissible rate;
5. For costs of suit incurred herein; and
6. For such other and further relief as the Court may deem just and proper.

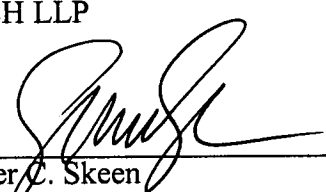
DEMAND FOR JURY TRIAL

QED hereby demands a trial by jury in this matter as provided by Federal Rule of Civil Procedure, Rule 38 to the fullest extent allowed by law.

DATED: September 3, 2008

PROCOPIO, CORY, HARGREAVES &
SAVITCH LLP

By: _____


Spencer C. Skeen
Farzeen Essa
Attorneys for Plaintiff,
Q.E.D. SYSTEMS, INC., a Virginia
corporation

07/09/2007 13:41 6192298195

JCI METAL PRODUCTS

PAGE 03

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER: 0007398

ORDER DATE: 07/09/07

VENDOR NUMBER: 01-Q.E.D.

VENDOR:
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO:
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO:

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
07/09/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	3,908.630	3,908.63
Subcontractor Services			WHSE: 000			
0777607						

USS Thach A/C Plant Replacement;
QED to provide manpower (99hrs) and material
for piping installation on board the USS Thach

Net Order: 3,908.63
Sales Tax: 0.00
Freight: 0.00
Order Total: 3,908.63

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0007490

ORDER DATE : 07/17/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
GEORGE CHAMPAGNE

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
07/17/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	3,439.250	3,439.25
Subcontractor Services		WHSE: 000				
0552002						

Q.E.D. TO PROVIDE: LABOR AND MATERIAL ON BOARD USS
CHANCELLORVILLE TO REMOVE AND REPLACE AIR PIPING
TO 3 EA. DAMPER VALVES NOT TO EXCEED 64 M/H
AS PER YOUR QUOTE

Net Order:	3,439.25
Sales Tax:	0.00
Freight:	0.00
Order Total:	3,439.25

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0007491

ORDER DATE : 07/17/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
GEORGE CHAMPAGNE

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
07/17/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BACK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	3,224.290	3,224.29
Subcontractor Services		WHSE: 000				
0654001						

Q.E.D. TO PROVIDE; LABOR AND MATERIAL ON BOARD
YRBM - 38 TO REMOVE PIPING AND INSTALL NEW PIPING
FOR NEW DISHWASHER NOT TO EXCEED 56 M/H
AS PER YOUR QUOTE

Net Order:	3,224.29
Sales Tax:	0.00
Freight:	0.00
Order Total:	3,224.29

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0007942

ORDER DATE : 08/23/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
08/23/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR Subcontractor Services	EACH	1.00	0.00	0.00	2,912.833	2,912.83
Job No: 0801001 Q.E.D TO PROVIDE LABOR AND MATERIAL FOR DRAINLINE HOOK UP OF 4 SINKS AND 7 COMMODOES AS PER QUOTE SPACE # 2-74-5-L ON BOARD USS REAGAN JCI POINT OF CONTACT AMARYLL SIMSAY 247-2185						
SUBCONTRACTOR Subcontractor Services	EACH	1.00	0.00	0.00	2,912.833	2,912.83
Job No: 0802001 Q.E.D TO PROVIDE LABOR AND MATERIAL FOR DRAINLINE HOOK UP OF 4 SINKS AND 6 COMMODOES AS PER QUOTE SPACE # 2-59-1-L ON BOARD USS REAGAN						
SUBCONTRACTOR Subcontractor Services	EACH	1.00	0.00	0.00	2,912.833	2,912.83
Job No: 0803001 Q.E.D TO PROVIDE LABOR AND MATERIAL FOR DRAINLINE HOOK UP OF 8 SINKS AND 12 COMMODOES AS PER QUOTE SPACE # 2-44-5-L ON BOARD USS REAGAN						
SUBCONTRACTOR Subcontractor Services	EACH	1.00	0.00	0.00	2,912.833	2,912.83
Job No: 0810001 Q.E.D TO PROVIDE LABOR AND MATERIAL FOR DRAINLINE HOOK UP OF 4 SINKS AND 6 COMMODOES AS PER QUOTE SPACE # 2-256-2-L ON BOARD USS REAGAN						
SUBCONTRACTOR Subcontractor Services	EACH	1.00	0.00	0.00	2,912.835	2,912.84
Job No: 0811001 Q.E.D TO PROVIDE LABOR AND MATERIAL FOR DRAINLINE HOOK UP OF 4 SINKS AND 6 COMMODOES AS PER QUOTE SPACE # 2-256-3-L ON BOARD USS REAGAN						
SUBCONTRACTOR Subcontractor Services	EACH	1.00	0.00	0.00	2,912.835	2,912.84
Job No: 0812001 Q.E.D TO PROVIDE LABOR AND MATERIAL FOR DRAINLINE HOOK UP OF 4 SINKS AND 6 COMMODOES AS PER QUOTE SPACE # 3-255-1-L ON BOARD USS REAGAN						

PURCHASE ORDER

Page: 2

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0007942
ORDER DATE : 08/23/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
08/23/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT

Net Order:	17,477.00
Sales Tax:	0.00
Freight:	0.00
Order Total:	17,477.00

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JCI METAL PRODU

PAGE 01

Page: 1

PURCHASE ORDER

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008011

ORDER DATE : 09/04/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
09/04/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	6,949.000	6,949.00
Subcontractor Services			Job No: 0803001			

THIS PURCHASE ORDER WRITTEN TO Q.E.D.
SYSTEMS INC FOR TIME AND MATERIAL TO
ACCOMPLISH THE FOLLOWING TASKS ONBOARD
THE USS REAGAN:

CHEMICALLY SANITIZE 42 EACH EXISTING
COMMUNES
REMOVE EXISTING AND INSTALL WITH NEW
42 EACH COMMUNES PROVIDED BY J.C.I. METAL
PRODUCTS INC

Net Order: 6,949.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 6,949.00

2244 V task

7SSD

10) rest

09/06/2007 11:29 6192298195

JCI METAL PRODUCTS

PAGE 02

Page: 1

PURCHASE ORDER

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008013

ORDER DATE : 09/04/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
09/04/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	2,555.000	2,555.00
Subcontractor Services			Job No: 0654001			

THIS PURCHASE ORDER WRITTEN TO Q.E.D.
SYSTEMS INC FOR TIME, MATERIAL AND SUBS
TO ACCOMPLISH TOUCH-UP PAINT ON NEW
AND DISTURBED SURFACES IN THE YRBM-38
SCULLERY

Net Order:	2,555.00
Sales Tax:	0.00
Freight:	0.00
Order Total:	2,555.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008255
ORDER DATE : 09/27/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST, STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
09/27/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	1.00	0.00	55,372.000	55,372.00

Job No: 0896006

Subcontractor Services

Q.E.D. TO PROVIDE LABOR AND MATERIAL FOR PAINT AND
PIPING FOR ITEM # 643-11-001 AS PER QUOTE ON BOARD
USS RENTZ JCI'S P.O.C MANNY SALGADO (619)247-2729

Net Order:	55,372.00
Sales Tax:	0.00
Freight:	0.00
Order Total:	55,372.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008276

ORDER DATE : 09/28/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
G.CHAMPAGNE

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
09/28/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	881.000	881.00
Subcontractor Services						

Job No: 0896002

Q.E.D. TO PROVIDE LABOR AND MATERIAL
FOR WORK ITEM # 254-11-003 ON BOARD USS RENTZ
AS PER QUOTE JCPS P.O.C MANNY SALGADO

Net Order: 881.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 881.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008277

ORDER DATE : 09/28/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
G. CHAMPAGNE

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
09/28/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BACK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	1,646.000	1,646.00
Subcontractor Services			Job No: 0896005			

Q.E.D. TO PROVIDE LABOR AND MATERIAL FOR WORK
ITEM# 621-11-001 ON BOARD USS RENTZ AS PER QUOTE
JCI'S P.O.C MANNY SALGADO

Net Order: 1,646.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 1,646.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008278

ORDER DATE : 09/28/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST, STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
G.CHAMPGNE

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
09/28/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BACK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	881.000	881.00

Subcontractor Services

Job No: 0896001

Q.E.D. TO PROVIDE LABOR AND MATERIAL ON BOARD USS
RENTZ ON WORK ITEM # 120-11-001
AS PER QUOTE JCI'S P.O.C. MANNY SALGADO
(619)247-2729

Net Order: 881.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 881.00

PURCHASE ORDER

Page: 1

Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0006279

ORDER DATE : 09/28/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST, STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
G.CHAMPAGNE

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
09/28/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	881.000	881.00
Subcontractor Services						
Job No. 0896004						
Q.E.D TO PROVIDE LABOR AND MATERIAL ON BOARD USS'						
RENTZ ON WORK ITEM # 512-11-002 JCI'S P.O.C						
MANNY SALGADO (619)247-2729						

Net Order: 881.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 881.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008280

ORDER DATE : 09/28/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST, STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
G.CHAMPAGNE

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
09/28/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	1,496.000	1,496.00

Subcontractor Services

Job No: 0896003

Q.E.D. TO PROVIDE LABOR AND MATERIAL ON BOARD USS
RENTZ ON WORK ITEM # 251-11-001 AS PER QUOTE
JCPS P.O.C MANNY SALGADO (619) 247-2729

Net Order: 1,496.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 1,496.00

Page:

PURCHASE ORDER

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008304

ORDER DATE : 10/02/07

VENDOR NUMBER : 01-Q.C.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
LARRY P

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
10/02/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	651.060	651.06

Subcontractor Services

Job No: 0813001

Q.E.D. TO PROVIDE LABOR AND MATERIAL FOR PIPING
ON BOARD USS REAGAN - 2256-3-L AS PER IDR # 001

Net Order: 651.06
Sales Tax: 0.00
Freight: 0.00
Order Total: 651.06

10/02/2007 10:28 56192298195

JCI METAL PRODUCTS

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008311

ORDER DATE : 10/02/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
10/02/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BACK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	59,822.00	59,822.00

Subcontractor Services

Job No: 0911003

Q.E.D. TO PROVIDE LABOR AND MATERIAL ON WORK ITEM
643-11-001 (PARA 3.7 AND 3.7.1 AND PIPING AS PER
QUOTE ON BOARD USS GARY FFG-51 JCI'S P.O.C
MANNY SALGADO (619)247-2729

need prints

Net Order: 59,822.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 59,822.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008313

ORDER DATE : 10/02/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
10/02/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BACK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	2,397.000	2,397.00
Subcontractor Services						
Job No: 0911002						
Q.E.D TO PROVIDE LABOR AND MATERIAL ON WORK ITEM						
# 621-11-002 (PARA 3.3) ON BOARD USS GARY FFG - 51						
AS PER QUOTE JCI'S P.O.C MANNY SALGADO						
(619)247-2729						

Net Order: 2,397.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 2,397.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008319
ORDER DATE : 10/02/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST, STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
10/02/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BACK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	7,525.000	7,525.00
Subcontractor Services						
Job No: 0911004						
Q.E.D. TO PROVIDE LABOR AND MATERIAL FOR PIPING ON						
WORK ITEM # 343-90-001 IAW DWG8302184 AS PER QUOTE						
ON BOARD USS ANTIETAM JCI'S P.O.C. AMARYLL SIMSAY						
(619)247-2185						
SUBCONTRACTOR	EACH	1.00	0.00	0.00	9,959.000	9,959.00
Subcontractor Services						
Job No: 0911004						
Q.E.D. TO PROVIDE LABOR AND MATERIAL FOR RCC-4 AS						
PER QUOTE ON BOARD USS ANTIETAM JCI'S P.O.C.						
AMARYLL SIMSAY (619)247-2185						

Net Order:	17,484.00
Sales Tax:	0.00
Freight:	0.00
Order Total:	17,484.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008547

ORDER DATE : 10/05/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
1330 30TH ST. STE. D
San Diego, CA 92154

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
10/05/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	1,564.000	1,564.00
Subcontractor Services						
Job No: 0911004						
Q.E.D. TO PROVIDE LABOR AND MATERIAL IAW WORK						
ITEM # 651-80-001 (PARA 3.5) AS PER QUOTE ON BOARD						
USS GARY FFG-51 JC'S P.O.C MANNY SALGADO						
(619)247-2754						

Net Order: 1,564.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 1,564.00

Q.E.D. SYSTEMS, INCORPORATED

Date: 9/28/07

ESTIMATE: JCI METAL PRODUCTS

TITLE: USS GARY SCULLERY DISHWASHER PIPING

DIRECT LABOR

LABOR CATEGORY	RATE	HOURS	AMOUNT
Technical Manager	\$110.95		\$0.00
Industrial Specialist	\$108.70		\$0.00
Program Manager	\$77.90		\$0.00
Project Manager	\$58.72		\$0.00
Project Coordinator	\$43.10	1.0 Holz, Parker, Stangel, Wedgev	\$43.10
Design Engineer	\$67.31		\$0.00
Engineer	\$55.75	1.0 West	\$55.75
Engineering Analyst	\$49.68		\$0.00
Senior Engineer Technician	\$35.28		\$0.00
Engineer Technician	\$31.86		\$0.00
Logistician	\$38.32	1.0 Cortez	\$38.32
Systems Analyst	\$58.15		\$0.00
Computer Programmer/Analyst	\$40.89		\$0.00
Senior Designer	\$38.89		\$0.00
Designer	\$33.72		\$0.00
Senior CAD Technician	\$30.81		\$0.00
Senior CAD Technician OT	\$46.22		\$0.00
CAD Technician	\$26.96		\$0.00
CAD Technician OT	\$40.43		\$0.00
Purchasing Agent	\$34.10	1.0 Weatherford	\$34.10
Inventory Specialist	\$27.97		\$0.00
Technical Editor	\$35.28		\$0.00
Clerk	\$21.68		\$0.00
Clerk OT	\$32.51		\$0.00
Typist	\$20.18		\$0.00
Typist OT	\$30.28		\$0.00
Planner/Estimator	\$36.64		\$0.00
QA Specialist	\$45.63	1.0 Simmons, Woodward	\$45.63
* Supervisor	\$54.15		\$0.00
* Foreman	\$36.92		\$0.00
* Senior Electrician	\$40.06	1.0 Williams	\$40.06
* Senior Electrician O/T	\$60.08		\$0.00
* Electrician	\$34.62	1.0 Alhambra, Aquino, Randolph, Smith	\$34.62
* Electrician O/T	\$51.92		\$0.00
* Equipment Mechanic	\$32.36	15.0 Ferla, Garcia	\$485.40
* Equipment Mechanic O/T	\$48.52		\$0.00
* Maintenance Technician	\$24.78	1.0 Crawford	\$24.78
* Maintenance Technician O/T	\$37.16		\$0.00
* Welder/Burner/Brazier	\$35.47	10.0 Nava	\$354.70
* Welder/Burner/Brazier O/T	\$53.21		\$0.00
* Blaster	\$33.76		\$0.00
* Blaster O/T	\$50.64		\$0.00
* Painter III	\$31.97	1.0 Blatt, Munoz, Pittman, Sevilla	\$31.97
* Painter III O/T	\$47.96		\$0.00

* Painter II	\$27.41	1.0 Andersen, Bryant	\$27.41
* Painter II O/T	\$41.11		\$0.00
* Painter I	\$23.91	J. Pablo	\$0.00
* Painter I O/T	\$35.86		\$0.00

TOTAL LABOR HOURS	35.00
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TOTAL LABOR DOLLARS	\$1,215.84
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OTHER DIRECT COSTS**INCIDENTAL MATERIAL COST:****SPECIAL MATERIALS:**

Word Processing Services (on Labor w/o *)	\$1.48	\$7.40
Reproduction (# of copies) 0	\$0.08	\$0.00
Mail/Shipping		\$0.00
Telecommunications		\$0.00
Material Staging		\$0.00
Miscellaneous Material and Supplies		\$204.07
Alteration Logistics Support (on Labor marked with *)	\$1.75	\$52.50
Equipment Rental		\$0.00
Subcontracts		\$0.00

Subtotal Special Materials	\$263.97
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TRAVEL/TRANSPORTATION**Local Travel**

3 Trips	22 Miles @ \$0.485/mile	\$32.01
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Trip: Norfolk, VA to**Purpose: (Describe)****Airfare:**

0 Trips	0 People	@ \$0.00 per person	\$0.00
0 Trips	0 People	@ \$0.00 per person	\$0.00

Per Diem:

0 Trips	0 People	0 days @ \$0/day	\$0.00
0 Trips	0 People	0 days @ \$0/day	\$0.00

Car Rental:

0 Trips	0 Car/Van	0 days @ \$0/day	\$0.00
0 Trips	0 Car/Van	0 days @ \$0/month	\$0.00

Miscellaneous: POV travel to/from airport, parking, tolls, gas	\$0.00
--	--------

Lodging Tax @ \$0.00 /person/day	\$0.00
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Trip Total	\$0.00
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Trip: Norfolk, VA to**Purpose: (Describe)****Airfare:**

0 Trips	0 People	@ \$0.00 per person	\$0.00
0 Trips	0 People	@ \$0.00 per person	\$0.00

Per Diem:

0 Trips	0 People	0 days @ \$0/day	\$0.00
0 Trips	0 People	0 days @ \$0/day	\$0.00

Car Rental:

0 Trips	0 Car/Van	0 days @ \$0/day	\$0.00
0 Trips	0 Car/Van	0 days @ \$0/month	\$0.00

Miscellaneous: POV travel to/from airport, parking, tolls, gas	\$0.00
--	--------

	Lodging Tax	@ \$0.00 /person/day	\$0.00
Trip Total			\$0.00
Subtotal Travel/Transportation			\$32.01
Subtotal Other Direct Costs			\$295.98
Burdens			\$52.19
TOTAL OTHER DIRECT COSTS			\$348.17
TOTAL PRICE			<u>\$1,564.01</u>

PURCHASE ORDER

Page 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008578

ORDER DATE : 10/29/07

VENDOR NUMBER : 61-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
4646 Witchduck Rd
Virginia Beach, VA 23455

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
LARRY PARKER

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
10/29/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BACK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	5.00	0.00	0.00	1,731.500	8,657.50
Subcontractor Services						
Q.E.D. TO PROVIDE LABOR AND MATERIAL ON BOARD USS						
GARY TO OPEN ALL TANKS IN BERTHING AND INSTALL						
DC PLUGS AS PER QUOTE JCI'S P.O.C MANNY SALGADO						
(619)247-2729						
SUBCONTRACTOR	EACH	1.00	0.00	0.00	1,731.500	1,731.50
Subcontractor Services						
Q.E.D. TO PROVIDE LABOR AND MATERIAL ON BOARD USS						
GARY TO OPEN TANK IN SUCLERY AND INSTALL DC PLUGS						
AS PER QUOTE						

Net Order: 10,389.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 10,389.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008603

ORDER DATE : 10/31/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
4646 Witchduck Rd
Virginia Beach, VA 23455

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
LARRY PARKER

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
10/31/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	64,434.290	64,434.29

Subcontractor Services

Job No: 0895003

Q.E.D. TO PROVIDE LABOR AND MATERIAL FOR WORK ITEM
631-90-001 CORROSION CONTROL - PARA 3.1 (2.13
ONLY) AND 3.9 ON BOARD USS LAKE CHAMPLAIN AS PER
QUOTE JCI'S P.O.C AMARYLL SIMSAY 619-247-2155

Net Order	64,434.29
Sales Tax	0.00
Freight	0.00
Order Total	64,434.29

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008739
ORDER DATE : 11/14/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
4646 Witchduck Rd
Virginia Beach, VA 23455

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
LARRY PARKER

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
11/14/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	17,556.000	17,556.00

Subcontractor Services

Job No: 0895G03

Q.E.D TO PROVIDE LABOR AND MATERIAL ON BOARD USS
LAKE CHAMPLAIN CG-57; I.A.W IDR 95003-1819 RCC 154
FOR PRESERVATION IN VOID 1-196-1 I.A.W. QUOTE
JCI'S P.O.C AMARYLL SIMSAY 619-247-2185

Net Order: 17,556.00
Sales Tax: 0.00
Freight: 0.00
Order Total: 17,556.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008777

ORDER DATE : 11/16/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
4646 Witchduck Rd
Virginia Beach, VA 23455

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
LARRY PARKER

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
11/16/07			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BACK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	14,523.000	14,523.00

Subcontractor Services

Job No: 0894001

Q.E.D. TO PROVIDE LABOR AND MATERIAL I.A.W. ITEM
343-90-001 TO REMOVE AND RE-ROUTE PIPING IN
GTG #3 EXHAUST. ON BOARD USS ANTIETAM AS PER
QUOTE JCI'S P.O.C AMARYLL SIMSAY 619-247-2185

Received
11/21

Net Order:	14,523.00
Sales Tax:	0.00
Freight:	0.00
Order Total:	14,523.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0008779

ORDER DATE : 11/16/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
4646 Witchduck Rd
Virginia Beach, VA 23455

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :
LARRY PARKER

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
11/16/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	14,523.000	14,523.00
Subcontractor Services						
Job No: 0895002						
Q.E.D TO PROVIDE LABOR AND MATERIAL I.A.W. ITEM #						
343-90-001, TO REMOVE AND RE-ROUTE PIPING ON						
GTG #-3 EXHAUST, ON BOARD USS LAKE CHAMPLAIN						
AS PER QUOTE- JCI'S P.O.C AMRAYLL SIMSAY						
619-247-2185						

Received
11/21

Net Order:	14,523.00
Sales Tax:	0.00
Freight:	0.00
Order Total:	14,523.00

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0009121
ORDER DATE : 10/30/07

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
4646 Witchduck Rd
Virginia Beach, VA 23455

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS			
12/20/07			Net 30			
ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	16,410.000	16,410.00
Subcontractor Services			Job No: 0911004			

THIS PURCHASE ORDER WRITTEN TO QED FOR
ACCOMPLISH PIPING REFERENCES FOR
ITEM 651-80-001, SHIPALT FFG7-00485D
REPLACE SCULLERY DISHWASHER ONBOARD THE
USS GARY AS PER THE ATTACHED QUOTE

Net Order:	16,410.00
Sales Tax:	0.00
Freight:	0.00
Order Total:	16,410.00

02/04/2008 10:48 6192298195

JCI METAL PRODUCTS

PAGE 01

PURCHASE ORDER

Page: 1

JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

P.O. NUMBER : 0009449

ORDER DATE : 02/04/08

VENDOR NUMBER : 01-Q.E.D.

VENDOR :
Q.E.D. SYSTEMS INC
4646 Witchduck Rd
Virginia Beach, VA 23455

SHIP TO :
JCI Metal Products, Inc.
6540 Federal Boulevard
Lemon Grove, CA 91945

CONFIRM TO :

REQUIRED DATE	SHIP VIA	F.O.B.	TERMS
02/04/08			Net 30

ITEM NUMBER	UNIT	ORDERED	RECEIVED	BCK ORDER	UNIT COST	AMOUNT
SUBCONTRACTOR	EACH	1.00	0.00	0.00	2,117.000	2,117.00
Subcontractor Services						

Job No: 0911002

INSTALL & OP-TEST SHOWER MIXING VALVE
IN THE CO'S BATH (01-108-2-L) ONBOARD THE
USS GARY (FFG-51)
PRICE INCLUDES INCIDENTAL MATERIALS
MIXING VALVE PROVIDED BY JCI

Net Order:	2,117.00
Sales Tax:	0.00
Freight:	0.00
Order Total:	2,117.00

2244 AO Task

TSSD
Cheney

CIVIL COVER SHEET

ORIGINAL

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by local rules as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

Q.E.D. Systems, Inc., a Virginia corporation

DEFENDANTS

JCI Metal Products, Inc., a California corporation

(b) County of Residence of First Listed Plaintiff Virginia Beach
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant San Diego
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

(c) Attorney's (Firm Name, Address, and Telephone Number)

Spencer C. Skeen (Bar No. 182216)
Procopio, Cory, Hargreaves & Savitch LLP
530 B Street, Suite 2100
San Diego, California 92101
Tel: (619) 238-1900

Attorneys (If Known)

Kevin Cauley
Schwartz Semerdjian Haile Ballard & Cauley LLP
101 West Broadway, Suite 810
San Diego, CA 92101-8229
Tel: (619) 236-8822

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☒ 3 Federal Question (U.S. Government Not a Party)
☒ Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- (For Diversity Cases Only)
- | | | | | | |
|---|----------------------------|----------------------------|---|---------------------------------------|---------------------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input checked="" type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input checked="" type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury—Med. Malpractice <input type="checkbox"/> 365 Personal Injury—Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395f) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General Habeas Corpus: <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
 28 U.S.C. 1332 Diversity (BC)

Brief description of cause:

Breach of Contract; Open Book Account; Account Stated; Quantum Meruit; California B&P Code Section 7108.5; Violation of Cal. Civil Code section 3260.

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23
 DEMAND \$ Not specified

CHECK YES only if demanded in complaint:
 JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE
 September 3, 2008

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT # 154657 AMOUNT \$350.00 APPLYING IFP

JUDGE

MAG. JUDGE

American LegalNet, Inc.
 www.FormsWorkflow.com

**UNITED STATES
DISTRICT COURT**
SOUTHERN DISTRICT OF CALIFORNIA
SAN DIEGO DIVISION

154657 - MB

**September 03, 2008
15:28:09**

Civ Fil Non-Pris

USAO #: 08CV1611 CIVIL FILING

Judge.: DANA M SABRAW

Amount.: \$350.00 CK

Check#: BC6176

Total-> \$350.00

FROM: Q.E.D. SYSTEMS INC VS
JCI METAL PRODUCTS INC